Message Text

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ACTION EB-11

INFO OCT-01 NEA-10 ADP-00 CAB-09 CIAE-00 COME-00 DODE-00

INR-10 NSAE-00 RSC-01 FAA-00 PA-03 PRS-01 USIA-12

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R 231045 Z JUN 73 ZDK FM AMEMBASSY KUWAIT TO SECSTATE WASHDC 6958 INFO AMEMBASSY BEIRUT AMEMBASSY JIDDA AMEMBASSY MANAMA

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BEIRUT FOR RCAA

E. O. 11652: GDS TAGS: ETRN, KU

SUBJ: KUWAIT AIRWAYS APPLICATION FOR US LANDING RIGHTS

REF: (A) STATE 111270 (NOTAL); (B) KUWAIT 1871 (NOTAL); (C) MANAMA 0359 (NOTAL); (D) STATE 109200 (NOTAL)

SUMMARY: KAC OFFICIALS CONFIRMED THAT THEY HAVE NOT YET MADE FORMAL APPLICATION FOR LANDING RIGHTS IN US BUT KUWAITI AMBASSADOR EXPECTED FORMALLY REQUEST STATE DEPARTMENT SUPPORT FOR CAB APPLICATION SOON. RECOGNIZING COMMERCIAL COMPLICATIONS INVOLVED, NONETHELESS BELIEVE DEPARTMENT SHOULD SUPPORT KAC APPLICATION AND USG SHOULD ENCOURAGE US CARRIERS RECONSIDER SERVING KUWAIT AND GULF AREA. END SUMMARY

1. EMBOFF MET JUNE 18 WITH KAC CHAIRMAN FAISAL FLEIJ AND MANAGING DIRECTOR JASSEM MARZOUK TO DISCUSS RECENT KUWAIT TIMES STORY US HAD REFUSED KAC'S APPLICATION FOR LANDING RIGHTS. MARZOUK GUESSED NEWSPAPER HAD MISINTERPRETED REMARKS MADE BY FLEIJ DURING INTERVIEW.
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- 2. KAC OFFICIALS CONFIRMED THAT NO FORMAL APPLICATION HAD YET BEEN MADE. MARZOUK SAID REQUEST FOR STATE DEPARTMENT SUPPORT FOR APPLICATION TO CAB CURRENTLY WITH AMBASSADOR SALEM. KUWAITI AMBASSADOR EXPECTED MAKE FORMAL SUBMISSION REQUEST FOR SUPPORT TO DEPARTMEN MENT SOON.
- 3. RE KAC'S STRATEGY DURING APPLICATION FOR LANDING RIGHTS, BOTH MEN INDICATED THEY CONSIDER STATE DEPARTMENT ACTION CRUCIAL. IF DEPARTMENT RESPONSE POSITIVE, KAC WILL BEGIN SERIOUS DISCUSSIONS WITH US CARRIERS IN ATTEMPT GAIN THEIR SUPPORT OR AT LEAST GET THEM NOT OPPOSE KAC APPLICATION BEFORE CAB.
- 4. FLEIJ REITERATED POLITICAL ARGUMENTS ALONG LINES PREVIOUSLY REPORTED WHEREIN HE SEES KAC APPLICATION AS TEST US FRIENDSHIP TOWARDS ARABS. EMBOFF EXPLAINED US POLICY AND NOTED KEY FACTOR WOULD BE INTEREST OF US CARRIERS IN LANDING IN KUWAIT. IN SHORT, THERE SHOULD BE BENEFIT TO US STEMMING FROM KAC APPLICATION AND SINCE PRIVATE COMMERCIAL FIRMS INVOLVED, THERE WOULD HAVE TO BE ECONOMIC BENEFIT TO THEM BEFORE THEY WOULD CONSIDER SEEKING LANDING RIGHTS HERE.
- 5. FLEIJ REITERATED KAC'S PRIMARY INTEREST IN SEEKING LANDING RIGHTS IN NEW YORK ALTHOUGH HE ASKED AGAIN ABOUT ALTERNATIVE LANDING SITES. HE SAID KAC AND MEA WOULD BE MEETING NEXT WEEK IN BEIRUT TOGETHER WITH SAUDI AIRLINES TO DISCUSS POSSIBLE POOLING ARRANGEMENT. HE CONFIRMED KAC INTENDED FLY DIRECTLY FROM BEIRUT WITH ONLY A REFUELING STOP IN EUROPE.
- 6. COMMENT: ONE THING THAT BOTHERS KAC IS THAT OTHER ARAB CARRIERS IN COUNTRIES WHERE US HAS LANDING RIGHTS COULD CONCEIVABLY WIN LANDING RIGHTS IN US BECAUSE OF EXISTING CIVIL AIR AGREEMENTS BUT THIS NOT POSSIBLE FOR KAC BECAUSE NO SUCH AGREEMENT EXISTS. THIS IS SO DESPITE CURRENT ECONOMIC AND POLITICAL REALITIES. KAC THEREFORE CONSIDERS IT IMPORTANT TO ATTRACT US CARRIER TO SEEK LANDING RIGHTS HERE. WE GATHER, HOWEVER, (SEE REF D) THAT AT LEAST TWA NOT INTERESTED. WE HAVE SIMILAR VIEW AS STATED REF C AND BELIEVE IF TWA NOT INTERESTED, OTHER CARRIERS SHOULD BE ALLOWED TO FLY HERE. IN FACT, THERE NO REASON WHY ONE US CARRIER COULD NOT FLY TO BAHRAIN WHILE OTHER LIMITED OFFICIAL USE

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CARRIER STOPPED AT KUWAIT.

7. WILLING ADMIT THAT COMMERCIAL PROFITABILITY A PROBLEM, BUT CONSIDERING GROWING IMPORTANCE OF GULF TO US AND LIKELY INCREASING TRAFFIC TO REGION BECAUSE OF EXPANDING ECONOMIC ACTIVITY AND EMERGING MILITARY RELATIONSHIP WITH LATTER INVOLVING SUBSTANTIAL CAT- Z TDY TRAFFIC, WE THINK THIS AREA REPRESENTS MARKET AT LEAST

SOME US CARRIERS WOULD WANT PENETRATE.

- 8. OVER PAST YEAR OR SO IT HAS BECOME EVIDENT TO USG AND US PUBLIC AS WELL THAT GULF REGION IS OF SPECIAL ECONOMIC AND POLITICAL IMPORTANCE TO US. DESPITE FACT US CARRIERS ARE PRIVATE COMPANIES, BELIEVE WE CANNOT SEPARATE POLITICAL FACET OF WHAT IS AFTER ALL HIGHLY SYMBOLIC MANIFESTATION US INTEREST IN REGION. THEREFORE APART FROM WHAT WE EXPECT COULD BECOME COMMERCIALLY ATTRACTIVE ARRANGEMENT, WE BELIEVE US POLITICAL INTERESTS WOULD BE SERVED BY US CARRIERS FLYING TO KUWAIT AND GULF.
- 9. ACTION REQUESTED: WITH ABOVE CONSIDERATIONS IN MIND, I BEZELIEVE THAT AT THIS JUNCTURE DEPT SHOULD SUPPORT KAC APPLICATION FOR US LANDING RIGHTS SO THAT MATTER CAN AT LEAST BE KEPT OPEN FOR DISCUSSION. STOLTZFUS

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